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No-deal policy 'intact,' says White House

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WASHINGTON — The White House yesterday insisted that the Reagan administration policy of not making concessions to terrorists "remains intact" despite a flurry of reports that the United States supplied arms to Iran in return for Iranian help in freeing American hostages in Lebanon.

The statement followed a 90-minute meeting by the president with his national security advisers. It was released by the White House press office last night by presidential spokesman Larry M. Speakes, who noted that "as has been the case in similar meetings," the president received the unanimous support of his aides.

The statement of support follows reports over the weekend that Secretary of State George P. Shultz and Defense Secretary Caspar W. Weinberger, both of whom attended yesterday's session, were unhappy about the reported dealings with Iran.

According to the statement, the meeting was prompted by the "president's concern for the safety of the remaining hostages and his fear that the spate of speculative stories which have arisen since the release of David Jacobsen may put them and others at risk," Mr. Speakes said.

The spokesman said the meeting included a review by the president of continuing efforts to secure the release of all hostages, as well as other broad policy concerns in the Middle East and Persian Gulf regions.

"While specific decisions discussed at the meeting cannot be divulged, the president did ask that it be re-emphasized that no U.S. laws have been or will be violated and that our policy of not making concessions to terrorists remains intact," the statement said.

At the end of the meeting, Mr. Speakes said, the president directed his advisers and their subordinates to refrain from commenting on the situation.

White House reporters were alerted in midafternoon that a statement

on the hostage situation might be forthcoming; however, a series of tentative release times passed without a statement materializing. The three-paragraph statement was finally released in the early evening, more than six hours after the president and his national security aides concluded their meeting. No explanation for the delay was given.

Earlier, Mr. Speakes told reporters at a briefing that U.S. expectations of the release of more U.S. hostages had been frustrated, and he complained that press coverage may have contributed to the failure. "The coverage of the entire hostage matter and the Iranian matter has made it extremely difficult, and our hopes were dashed once again," he said.

The United States has been in sporadic contact with Iran for the past 18 months over the fate of U.S. hostages held in Lebanon, according to numerous — and unchallenged — published reports.

The secret dealings with Iran have created strains within the administration and are causing "great concern" among America's Arab allies in the Middle East, knowledgeable U.S. officials reported yesterday.

The back-channel discussions have distressed Mr. Shultz and have made him consider quitting the government, officials said. But later yesterday, flying to an Organization of American States meeting in Guatemala City, Mr. Shultz told reporters he has "no plans to resign." Some officials in the State Department said it was possible that Mr. Shultz still might resign once the furor subsides.

Mr. Shultz has been an ardent advocate of a U.S. policy opposed to paying ransom or making other concessions to terrorists or political kidnappers. That policy appears to have been compromised by the shipping of military cargo to Iran in exchange for that nation's intercession on behalf of U.S. hostages held in Lebanon by friends of the Iranian regime. Five Americans are believed to still be in captivity there.

The arms shipments also have been described as part of a larger U.S. effort to repair relations with Iran in anticipation of the time when the Ayatollah Ruhollah Khomeini, the ailing Iranian leader, has left the scene.

But the deliveries of munitions and spare parts contradict another U.S. policy that has sought to discourage supplies of arms from going to either Iran or Iraq, which have been at war since 1980.

Just last week Mr. Weinberger said it would be "against our interests to have Iran win that war."

President Reagan, Secretary Shultz, Secretary Weinberger, CIA Director William J. Casey, White House chief of staff Donald T. Regan and national security adviser Adm. John M. Poindexter met at the White House for an hour and a half yesterday in what was believed to have been the first gathering of the president's top advisers since news of the Iranian venture surfaced a week ago.

Among their reported concerns was the reaction of moderate Arabs in the Persian Gulf who are fearful of an Iranian victory. Those states have been subsidizing the Iraqi war effort, while Syria has taken Iran's side.

Diplomatic sources reported yesterday that Prince Bandar bin Sultan, the Saudi Arabian ambassador, on Friday sought clarifications of U.S. policy in separate meetings with Vice President George Bush and Admiral Poindexter.

State Department officials said that U.S. diplomats have been kept in the dark about the secret contacts with Iran.

Those contacts included a bizarre trip to Tehran this fall by Robert C. McFarlane, the former national security adviser, who turned up in the Iranian capital with a false passport, a planeload of military spare parts, a cake, and a Bible inscribed by President Reagan, according to the Iranian version of the event that has not been denied by the White House.

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The U.S. government's reaction to revelation of the Iranian connection has been to muzzle the State Department into a series of "no comments" and to appeal to the press for less "speculation."

Based on the limited details that have been made public, the Iranian operation was conceived and run by National Security Council staff members to the exclusion of the president's most senior advisers, including Secretaries Shultz and Weinberger.

A well-placed official said that one result of not informing U.S. diplomats of the transactions was to open them to ensuing embarrassment, such as U.S. diplomats' urging Israel not to ship war supplies to Iran when Israel in fact had been doing so as part of the NSC plan.

"There are a lot of red American faces in the Middle East today," the official said. "There are also a lot of demoralized people at the State Department," he added.

Meanwhile, additional uncontradicted details continued to emerge about the Iranian operation.

The head of the Danish seamen's union, Henrik Berlau, was quoted by a news agency as saying that at least nine arms shipments — including U.S. arms — had been delivered to Iran either directly from Western Europe or from Israel.

Agence France Presse, the French news agency, said that U.S. AWACS planes — carrying highly sophisticated radar for controlling an air battle from long range — had been withdrawn from supporting Iraqi air defenses. The AFP said the AWACS, based in Saudi Arabia, had been taken out of action as part of U.S. dealings with Iran.

The State Department said it had no comment on either report.